

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF VICTORIA ASSOCIATES,
A LIMITED PARTNERSHIP, ETC DEVELOPERS, INC.
GENERAL PARTNER, AS REDEVELOPER OF PARCELS
19b-1 THROUGH 19b-11 IN THE SOUTH END
URBAN RENEWAL AREA, MASS. PROJECT NO. R-56

WHEREAS, the Boston Redevelopment Authority (hereinafter referred to as the "Authority"), on January 24, 1980, tentatively designated ETC Development Corporation as Redeveloper of Parcels 19b-1 through 19b-11 in the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of projects in Urban Renewal Areas created with financial assistance under Title I of the Housing Act of 1949, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, the Authority is cognizant of the restrictions on land use set forth in the South End Urban Renewal Plan, as adopted by the Boston Redevelopment Authority on September 25, 1965, and approved by the City Council of the City of Boston on December 6, 1965, as amended; and

WHEREAS, the Authority has determined that the plans for the development of said Parcels, as submitted and reviewed by the Authority's staff, conform to the South End Urban Renewal Plan, as amended; and

WHEREAS, the Authority has by vote on May 22, 1980, consented to the transfer of ETC Development Corporation's interest in the project for development of said Parcels to Victoria Associates, a Massachusetts Limited Partnership of which ETC Developers, Inc., a subsidiary of ETC Development Corporation, is the general partner; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment;

NOW, THEREFORE BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Victoria Associates be and hereby is finally designated as Redeveloper of Disposition Parcels 19b-1 through 19b-11 in the South End Urban Renewal Area, Mass. Project No. R-56.
2. That it is hereby determined that Victoria Associates and its general partner, ETC Developers, Inc., possess the requisite qualifications and financial resources to develop said Parcels in accordance with the South End Urban Renewal Plan.

3. That, in accordance with the procedures established by the Department of Housing and Urban Development for making this land available for redevelopment in accordance with the South End Urban Renewal Plan, the reuse value of Parcels 19b-1 through 19b-11 established at \$95,000.00 be and hereby is approved.
4. That all practicable and feasible means and measures have been taken and are being utilized to avoid and minimize damage to the environment.
5. That the proposed development by Victoria Associates of said Parcels in the South End Urban Renewal Area conforms in all respects with said Urban Renewal Plan, as amended.
6. That the final Working Drawings and Specifications submitted by the Redeveloper conform in all respects to the South End Urban Renewal Plan, as amended, and that said Final Working Drawings and Specifications be and hereby are approved.
7. That the Director be and hereby is authorized, for and in behalf of the Authority, to execute a Deed conveying Parcels 19b-1 through 19b-11 to Victoria Associates, said Deed to be in the Authority's usual form with such changes thereto as the Director may deem necessary and appropriate.
8. That the Secretary of the Authority is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(e) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure".

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

COMMITMENT FOR INSURANCE OF ADVANCES

(SECTIONS 207, 220, 221, 231, 232, 242 and 810; and TITLE XI)

Project No. 023-35200
To: State Street Bank and Trust Company ETC Development Corporation and
(Mortgagee) Barkan Construction Company
(Name of sponsor(s))
225 Franklin Street 405 Shawmut Avenue
(Street) Boston, Mass. (Address)
Boston, Mass. ETC Development Corporation
(City and State) (Name of proposed Mortgagor)

The Federal Housing Commissioner, acting herein on behalf of the Secretary of Housing and Urban Development, will endorse for insurance under the provisions of Section 221(d)(4) of the National Housing Act, and the Regulations thereunder now in effect, a mortgage note in the amount of \$ 10,625,700, to be secured by a mortgage, on the property located at Paseo Aquadilla, Paseo San Juan, Shawmut Ave., W. Dedham & W. Newton Sts., Newton and consisting of approximately 177,400 square feet. The insurance endorsement will be subject to compliance with the requirements of the Regulations, and the terms and conditions set forth below. The mortgage amount, however, is subject to reduction prior to final insurance endorsement of the mortgage note as provided in the Regulations.

1. The mortgage note shall be payable in monthly installments in accordance with the payment provision checked and completed below:

(a) ☐ Combination Declining Annuity Plan

The loan shall bear interest at the rate of _____ percent per annum payable on the first day of each month on the outstanding balance of principal. The first payment to principal (commencement of amortization) shall be due on the first day of the _____ month following the month in which the mortgage is dated. The mortgage shall provide that the first payment to principal shall be in the amount of \$ _____. Thereafter, on the first day of each succeeding month until the _____ installment has been paid, an installment of principal shall be paid in an amount equal to _____ percent of the principal payment which became due on the first day of the next preceding month. The _____ payment and, until the mortgage is paid in full, each succeeding payment shall be in an amount equal to _____ percent of the last preceding payment. The maturity and final payment date shall be _____ years and _____ months following the due date of the first payment to principal (commencement of amortization).

(b) ☐ Accelerating Curtail Declining Annuity Plan

The loan shall bear interest at the rate of _____ percent per annum payable on the first day of each month on the outstanding balance of principal. The first payment to principal (commencement of amortization) shall be due on the first day of the _____ month following the month in which the mortgage is dated. The mortgage shall provide that the first payment to principal shall be in the amount of \$ _____. Thereafter, on the first day of each succeeding month until the entire indebtedness has been paid, an installment of principal shall be paid in an amount equal to _____ percent of the principal payment which became due on the first day of the preceding month. The maturity and final payment date shall be _____ years and _____ months following the due date of the first payment to principal (commencement of amortization).

(c) ☒ Level Annuity Monthly Payment Plan

The loan shall bear interest at the rate of 7.5 percent per annum payable on the first day of each month on the outstanding balance of principal. The first payment to principal (commencement of amortization) shall be due on the first day of the 24th month following the month in which the mortgage is dated. The loan shall be payable on a level annuity basis by 480 monthly payments of principal and interest in the amount of \$ 69,924.63. The maturity and final payment date shall be 39 years and 11 months following the due date of the first payment to principal (commencement of amortization).

(d) ☐ Level Annuity Monthly Payment Plan (Sec. 221(d)(3) Below Market Interest Rate Mortgage)

The loan shall bear interest at the rate of _____ percent per annum payable on the first day of each month on the outstanding balance of principal up to and including the date of final endorsement of the secured note. Thereafter, the loan shall bear interest at the rate of _____ percent per annum payable on the first day of each month on the outstanding balance of principal.

The first payment to principal (commencement of amortization) shall be due on the first day of the _____ month following the month in which the mortgage is dated. The loan shall be payable on a level annuity basis by _____ monthly payments of principal and interest in the amount of \$ _____. The maturity and final payment date shall be _____ years and _____ months following the due date of the first payment to principal (commencement of amortization).

2. A project shall be constructed on the mortgaged property in accordance with Drawings and Specifications filed with the Commissioner and designated as Viviendas La Victoria II, Boston, Mass., FHA Project No. 023-35200, dated April 15, 1980. The Drawings and Specifications, which include "General Conditions of the Contract for Construction" (AIA Document A201) and "Supplementary Conditions of the Contract for Construction" (FHA Form No. 2554), shall be identified in a manner acceptable to the Commissioner by the following parties or their authorized agents: Mortgagor, Design Architect, Architect administering the Construction Contract, Contractor and the Contractor's Surety.

3. At least 15 days prior to the anticipated date for initial insurance endorsement of the mortgage note, two draft copies of each of the following documents and exhibits shall be submitted to the Commissioner. After review, the place and date of the initial closing will be designated, at which time the following documents and exhibits in final form shall be delivered to the Commissioner for approval:

- (a) The mortgage and the note evidencing the debt secured.
- (b) The Building Loan Agreement (FHA Form No. 2441) between the Mortgagee and the Mortgagor governing advances of the mortgage proceeds.
- (c) The Construction Contract (FHA Form No. 2442 or 2442A) between the Mortgagor and the General Contractor whereby the project is to be built.
- (d) Contractor's Certification of Labor Standards and Prevailing Wage Requirements.
- (e) Agreement and Certification executed by the Mortgagee and Mortgagor.
- (f) Owner-Architect Agreement (appropriate FHA Form).
- (g) Title evidence in conformity with the Regulations which shall show that title to the property on the date of initial endorsement of the mortgage for insurance is vested in the Mortgagor free of all encumbrances other than the mortgage, and free of all reservations of title (either junior or prior to said mortgage), except such as are specifically determined to be acceptable by the Commissioner. If such title evidence is in the form of a title insurance policy, it shall by its terms inure to the benefit of the Mortgagee and the Secretary of Housing and Urban Development, as interest may appear. Such title evidence must be accompanied by a survey of the property, together with the Surveyor's Certificate showing that there are no easements or encroachments upon the subject property except those acceptable to the Commissioner, which survey will be extended from time to time during construction to show that the improvements on the site have been erected solely upon the land covered by the mortgage and within the building restriction lines, if any, on said land and do not encroach upon or overhang any land not covered by the mortgage nor upon any easement or right-of-way. Evidence will be required to show that the premises are not zoned or restricted so as to prevent the construction of the improvements, and that building and other permits have been issued by legally constituted authorities having jurisdiction.
- (h) Assurance of the completion of the project.
- (i) Assurance that adequate sewer, water, gas, and electric facilities will be fully installed prior to completion of the project and that necessary public streets, sidewalks, and curbing outside the project site, if not yet constructed, will be fully completed within a reasonable time after completion of the project.
- (j) The Mortgagee's Certificate itemizing the charges made by you in connection with the mortgage transaction and evidencing the collection by you or your nominee from the Mortgagor of the following sums to be applied to the following items:

(1) Deposit to meet cost of equipping and renting the project subsequent to completion of the entire project or units thereof, and to be applied to taxes, mortgage insurance premiums, property insurance premiums and assessments required by the terms of the mortgage accruing subsequent to initial endorsement of the mortgage for insurance, and not included in the proceeds of the mortgage ... \$ 212,514. (NOTE: For Section 232 Nursing Home Projects this deposit is required only for accruals of taxes, mortgage insurance premiums, property insurance premiums and assessments.)

(2) Funds, if any, required over and above mortgage proceeds for completion of the project ... \$ 1,914,333. This sum represents the difference between the Commissioner's estimate of the total cash required for carrying charges, financing, and for construction of the project, including builder's fees (or builder's and sponsor's profit and risk allowance, if any), architect's fees, and the maximum amount of the mortgage to be insured. These funds may be reduced by so much of the profit and risk allowance and fees, up to a maximum of \$ 1,125,411, as the closing documents show are not to be paid in cash.

(3) Escrow deposit, if any, to cover off-site utilities and streets... \$ N/A.

(4) The Mortgagor shall establish to the Commissioner's satisfaction that, in addition to the proceeds of the insured mortgage, the Mortgagor has funds in the amount of \$ N/A , or has made financial arrangements acceptable to the Commissioner in order to meet the expenses of the project from the date of initial occupancy until N/A months after the date of final endorsement as the Commissioner estimates is necessary to establish a profitable operation. The funds shall be deposited with the Mortgagee or other depository acceptable to the Commissioner on or before the date of initial endorsement, and such funds shall be held in a special account under an agreement approved by the Commissioner.

(k) The Escrow Agreement providing for the deposit, if any, required by Item (j)(3) of this paragraph and covering off-site utilities and streets.

(l) The Mortgagor's Certificate certifying to the priority of the mortgage and to other matters set forth therein.

(m) The instrument under which the Mortgagor entity is created, unless the Mortgagor is an individual.

4. The Mortgagor must possess the powers necessary for operating the project and meeting all the requirements of the Secretary of Housing and Urban Development for insurance of the mortgage. At the initial insurance endorsement of the mortgage note, there shall be filed with the Commissioner copies of all instruments or agreements necessary under the laws of the applicable jurisdiction to authorize the execution of the mortgage and the other closing documents, and a Regulatory Agreement or other instrument to permit the Commissioner's regulation of the Mortgagor as to rents, charges, and methods of operation. Such instrument shall provide, among other things, for the establishment of a Reserve Fund for Replacements under control of the Mortgagee by payment of \$ 42,503 per annum, to be accumulated monthly commencing on the date of the first payment to principal as established in the insured mortgage, unless a later date is agreed to by the Commissioner.

5. (a) Approval of advances in accordance with the Building Loan Agreement must be obtained on a form prescribed by the Commissioner prior to the date of each advance to be insured. A Contractor's Prevailing Wage Certificate will be filed with the request for approval of each advance which includes a payment for construction costs.

(b) During the course of construction, the Commissioner and his representatives shall at all times have access to the property and the right to inspect the progress of construction, and an inspection fee in the amount of \$ 55,439 shall be paid upon the initial insurance endorsement of the mortgage note. The inspection of construction by a representative of the Commissioner shall be only for the benefit and protection of the Secretary of Housing and Urban Development.

(c) Upon completion of the project in accordance with the Drawings and Specifications the mortgage note will be finally endorsed for insurance to the extent of the advances of mortgage proceeds approved by the Commissioner, subject to reduction as provided in the Regulations.

6. Any change in the Drawings and Specifications or in the conditions upon which this commitment is based, which may occur after the date hereof, shall be explained in writing, or in a supplementary application if required by the Commissioner, and must be approved by the Commissioner prior to initial endorsement. Any such change occurring subsequent to initial endorsement must be brought to the attention of the Commissioner immediately upon occurrence, and, except for such changes in the Drawings and Specifications which may be authorized by the Architect, must be approved by the Commissioner prior to the date on which the Commissioner is requested to approve any further advance for insurance. Changes in the Drawings and Specifications which result in any net construction cost increase, or will change the design concept, or will result in a net cumulative construction cost decrease of more than 2% of the contract amount may be effected only with the prior written approval of the Lender and the Commissioner. The Commissioner's approval of any change described above may be subject to such conditions and qualifications as the Commissioner in his discretion may prescribe.

7. If under the laws of the jurisdiction in which the project is located, the personal property of the Mortgagor, which is used in the operation of the project, is not covered by and subject to the real estate mortgage, the Mortgagee shall require and receive from the Mortgagor, prior to the final insurance endorsement of the mortgage note, a Security Agreement and a Financing Statement or such other security instrument as may be necessary to effect a first lien on such personal property in favor of the Mortgagee.

8. Any change in the sponsorship upon which this commitment is predicated must be requested in writing by the Mortgagee on behalf of any proposed substitute sponsor, and such request must be approved in writing by the Commissioner. Any sponsor or principal (including the principals of any parent entity of such sponsor or principal), who is now or who may later become involved in this project by way of financial interest, employment or otherwise, and who has not filed a certificate with the Commissioner fully disclosing his previous participation in FHA mortgage insurance programs, shall file such certificate on the form prescribed by the Commissioner and must be approved by the Commissioner.

9. All certificates, documents and agreements called for by this commitment shall be on forms approved or prescribed by the Commissioner and shall be completed, executed and filed in the number of copies and in such manner as he shall prescribe.

10. This commitment shall terminate 60 days from the date hereof unless renewed or extended by the Commissioner. Prior to any renewal or extension of this commitment, the Commissioner may, at his option, reexamine the commitment to determine whether it shall be extended in the same amount, or shall be amended to include a lesser amount.

11. A request for the reopening of this commitment within 90 days of its termination must be accompanied by the reopening fee prescribed by the Regulations.

12. The Design Architect and the Architect administering the construction contract shall each be covered by a policy of professional liability insurance in an amount consistent with insurance industry practice. At initial closing, there shall be provided for each Architect the writing agent's certificate in substantially the following form:

To: Mortgagee and Secretary of Housing and Urban Development

I certify that _____ is insured in the
(Name of Architect)

amount of \$ _____ under _____
(Name of Insurer)

Policy No. _____ of Architect and/or Engineers Professional Liability Insurance.

Your attention is directed to the Regulations covering the assignment or the transfer of the insured mortgage, in whole or in part, and the transfer of your rights, privileges, and obligations under the contract of mortgage insurance.

Special conditions set forth below or attached hereto and identified as additional numbered paragraphs are made a part hereof.

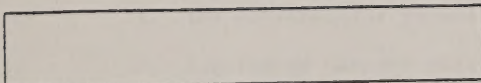
Schedule 1: Conditions of the Commitment, Continued - Attached
Schedule 2: Closing Requirements - Attached

Dated 7/30/81

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

BY: FEDERAL HOUSING COMMISSIONER

By [Signature]
Authorized Agent



Conditions of the Commitment - Continued

13. Sponsor shall submit affirmative marketing plan to this office for approval prior to initial endorsement.
14. This project is subject to HUD environmental clearance and is expected to conform to all HUD policies and guidelines.
15. This Commitment is subject to the requirements of Executive Orders 11063 and 11247 relating to equal opportunity in housing.
16. Mortgagor must certify prior to initial closing that obligations under Regulatory Agreement, and/or Section 8, Housing Assistance Payments Contract, will be met, including obligation to obtain from each applicant for admission as a tenant, Form 52659 (Section 8), to assign living units to families consistent with individual family needs and to verify that maximum income limits established for Boston, Massachusetts as cited below, have not been exceeded:

80% Median Income Limits (Lower Income)

<u>1 Person</u> \$10,850	<u>2 Persons</u> \$12,400	<u>3 Persons</u> \$13,950	<u>4 Persons</u> \$15,500
<u>5 Persons</u> \$16,500	<u>6 Persons</u> \$17,450	<u>7 Persons</u> \$18,450	<u>8 Persons</u> \$19,400

50% Median Income Limits (Very Low Income)

<u>1 Person</u> \$6,800	<u>2 Persons</u> \$7,750	<u>3 Persons</u> \$8,750	<u>4 Persons</u> \$9,700
<u>5 Persons</u> \$10,500	<u>6 Persons</u> \$11,250	<u>7 Persons</u> \$12,050	<u>8 Persons</u> \$12,800

17. Prior to initial endorsement, evidence of a 50% Performance Bond and a 50% Payment Bond, each in the amount of \$5,021,651 must be submitted to the closing attorney assigned to the project. As an alternative to the Bond Requirement, an FHA Completion Assurance Agreement, Form No. 2450, with an escrow in the amount of \$2,510,826 may be used.
18. Thirty days prior to initial endorsement, a copy of the proposed Management Contract, together with a resume of the background and experience of the management agent, shall be submitted for evaluation and approval by HUD. Also, a management plan must be furnished and Form 2530 must be submitted on the Management Agent.
19. If, at initial endorsement of the mortgage, there is in fact no identity of interest between the Mortgagor and the General Contractor, this case will be reprocessed to exclude the Builder's and Sponsor's Profit and Risk Allowance (BSPRA) and to substitute a typical Builder's Profit and Sponsor's Profit and Risk Allowance (SPRA).
20. At least thirty (30) days prior to Initial Endorsement, an "Estimated Progress Schedule for Work" must be submitted to HUD by the general contractor for review and approval by HUD.
21. Your attention is directed to the following points of information:
 - a. The construction period is 16 months.
 - b. Liquidated damages will be in the minimum amount of \$3,187.71 for each day of delay until the date of substantial completion.
 - c. The Management Fee established by the Management Contract shall not exceed \$43,452 (3.0% of Effective Gross Income) as established on processing form 2264 dated May 8, 1980.
22. The permanent Loan rate of 7.5% shall become effective on the first day following final endorsement of the credit instrument. The note to be endorsed must contain language which will effect this provision.
23. This commitment is subject to 2530 clearance of all Sponsors and General Contractor.

Project No. 023-35200
Viviendas La Victoria II
Boston, Massachusetts

Conditions of the Commitment - Continued

24. Prior to initial endorsement of the project, the contractor must comply with the Equal Employment Opportunity Affirmative Action Requirement of the enclosed Boston Bid Conditions.
25. This Commitment is subject to the requirements of Executive Order 11246, Equal Employment Opportunity. See attached Notice BAO 78-17 with attachments A, B, and C for instructions.
26. This commitment is subject to 100% Section 8 funding.
27. Real Estate Taxes are not to exceed 10% of Effective Gross Income.

Schedule II

Closing Requirements

In order to avoid any unexpected problems and accomplish prompt initial endorsement of this project, the following documents must be submitted to Ms. Ellen Kantrowitz, Multifamily Housing Representative, no later than 15 days prior to the proposed closing date:

1. Sponsor's confirmation of financial requirements and credit information.
2. All items listed in special conditions of this commitment.
3. Surveyor's Report, Form 2457.
4. Certified legal survey and description of the property.
5. 6 sets of final drawings and specifications.
6. Rent Schedule, Form 92458.
7. Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements, Form 2482.
8. Building Permit.

The legal documents referred to in Condition 3 of the commitment must also be submitted to the HUD closing attorney at least 15 days prior to the proposed closing date. In addition, Form 2403, Request for Initial Advance, must be submitted to the HUD Mortgage Credit Branch no later than 5 days prior to the proposed closing.

Please note that a closing may not be scheduled until all exhibits have been received and found acceptable by this office.

MEMORANDUM

July 31, 1980

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: SOUTH END URBAN RENEWAL AREA, MASS. R-56
DISPOSITION PARCELS 19b-1 through 19b-11
VIVIENDAS LA VICTORIA II, FINAL DESIGNATION OF DEVELOPER

3965

Victoria Associates, A Massachusetts Limited Partnership, of which ETC Developers, Inc. is the General Partner, is seeking designation as Redeveloper of the above-referenced parcels for the construction of 160 units of new housing and 31 units of rehabilitated housing for low and moderate income residents. The construction of this housing, Vivendas La Victoria II, will complete ETC's and Victoria's Development Plan for parcel 19 in the South End Urban Renewal Area.

The original ETC Plan devised in 1968, envisioned phased development of new construction and rehabilitated housing for low and moderate income residents. Each phase was designed to allow for as much on-site relocation as possible and to provide affordable housing for community residents.

In December 1969 the Authority tentatively designated ETC Development Corporation as redeveloper of Parcel 19. To date, ETC has completed 489 units of new and rehabilitated housing, including 71 units of rehabilitated row housing, 201 units of elderly housing in Unity Tower, 181 new townhouse units in Vivendas LaVictoria Phase I, and 36 units of rehabilitated housing in Casas Borinquen. Vivendas LaVictoria II is now the fifth and final stage of ETC's very successful development plan.

Final drawings and specifications have been reviewed and found acceptable to the authority staff. The director, by a Board vote on June 19, 1980 was authorized to enter into a land disposition agreement with ETC Development Corporation. By a prior vote on May 22, 1980, the Board consented to the transfer of the Corporation's interest in the project to Victoria Associates, a limited partnership created to carry out the project.

The Redeveloper has received a firm HUD commitment (attached) for 11-B financing. The loan closing with HUD has been scheduled for September 15, 1980. Conveyance of the above referenced parcels by the authority to Victoria Associates will also occur on September 15, 1980.

It is therefore recommended that the Authority adopt the attached resolution designating Victoria Associates, a Limited Partnership, ETC. Developers, Inc., general partner, as the Redeveloper of Parcel 19b-1 through 19b-11, and authorizing the Director to execute a deed to Victoria Associates.